

RECEIVED  
LEGISLATIVE AUDITOR

1999 DEC 28 AM 11:04

OFFICIAL  
FILE COPY  
DO NOT SEND OUT  
(Xerox necessary  
copies from this  
copy and PLACE  
BACK in FILE)

UNION COUNCIL ON THE AGING, INC.

General Purpose Financial Statements  
For The Year Ended June 30, 1999

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited organization, the Board of Directors and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 1-19-2000

UNION COUNCIL ON THE AGING, INC.  
FARMERVILLE, LOUISIANA  
FOR THE YEAR ENDED JUNE 30, 1999

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditor's Report -----	1-2
 <u>GENERAL PURPOSE FINANCIAL STATEMENTS</u> <u>COMBINED STATEMENTS - OVERVIEW</u> 	
Combined Balance Sheet - All Fund Types and Account Groups -----	3
Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types -----	4
Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget (GAAP Basis) and Actual - All Governmental Fund Types -----	5
Notes to Financial Statements -----	6-17
 <u>Supplemental Information Schedules:</u>  <u>Combining and Account Group Schedules</u>  <u>GENERAL FUNDS</u> 	
Balance Sheets -----	18
Schedule of Revenues, Expenditures and Changes in Fund Balances -----	19
 <u>SPECIAL REVENUE FUNDS</u> 	
Balance Sheets -----	20
Schedule of Revenues, Expenditures and Changes in Fund Balances -----	21
Schedule of Program Expenditures - Budget vs. Actual - Contracts And Grants Provided Through the Louisiana Governor's Office of Elderly Affairs (GOEA) -----	22-24

UNION COUNCIL ON THE AGING, INC.  
FARMERVILLE, LOUISIANA  
FOR THE YEAR ENDED JUNE 30, 1999

TABLE OF CONTENTS (CONTINUED)

Supplemental Information Schedules: (Continued)

Combining and Account Group Schedules (Continued)

SPECIAL REVENUE FUNDS (CONTINUED)

	<u>Page</u>
Schedule of Priority Services – Title III, Part B – Grant for Supportive Services -----	25
<u>GENERAL FIXED ASSET ACCOUNT GROUP</u>	
Schedule of General Fixed Assets -----	26
<u>OTHER SUPPLEMENTAL INFORMATION – GRANT ACTIVITY</u>	
Schedule of Expenditures of Federal Awards -----	27
Notes to Schedule of Expenditures of Federal Awards -----	28
Independent Auditor’s Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i> -----	29-30
Schedule of Findings And Questioned Costs -----	31-32
Schedule of Prior Year Findings -----	33
Management’s Corrective Action Plan -----	34

# CAMERON, HINES & HARTT

(A Professional Accounting Corporation)

*Certified Public Accountants*

107 Contempo Avenue

West Monroe, Louisiana 71291

Mailing Address:

P. O. Box 2474

West Monroe, LA 71294-2474

Phone (318) 328-1717

Fax (318) 322-5121

## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Union Council on the Aging, Inc.  
Farmerville, Louisiana

We have audited the accompanying general purpose financial statements of the Union Council on the Aging, Inc. as of and for the year ended June 30, 1999. These financial statements are the responsibility of the Council's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Council as of June 30, 1999, and the results of its operations for the year then ended, in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 9, 1999, on our consideration of the Council's internal control over financial reporting and our tests of its compliance with certain provision of laws, regulations, contracts and grants.

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements of the Union Council on the Aging, Inc. taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied to the audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects, in relation to the general purpose financial statements taken as a whole.

Board of Directors  
Union Council on the Aging, Inc.  
Farmerville, Louisiana  
Page Two

The financial information for the preceding year, which is included for comparative purposes, was taken from the financial report for that year on which other auditors expressed an unqualified opinion on the general purpose financial statements of the Union Council on the Aging, Inc.

*Cameron, Hines & Hartt (APAC)*

West Monroe, Louisiana  
November 9, 1999

GENERAL PURPOSE FINANCIAL STATEMENTS  
COMBINED STATEMENTS – OVERVIEW

UNION COUNCIL ON THE AGING, INC.  
 FARMERVILLE, LOUISIANA  
 COMBINED BALANCE SHEET  
 ALL FUND TYPES AND ACCOUNT GROUPS

JUNE 30, 1999

	Governmental Fund Types		Account Groups		TOTALS	
	General Fund	Special Revenue Funds	General Fixed Assets	General Long-Term Debt	(Memorandum Only)	
					1999	1998
<u>ASSETS</u>						
Cash and Cash Equivalents	\$ 64,448	\$ 7,393	\$ -	\$ -	\$ 71,841	\$ 59,495
Accounts Receivable	3,303	4,026	-	-	7,329	8,413
Due From Other Funds	-	4,026	-	-	4,026	-
Land and Buildings	-	-	200,180	-	200,180	200,180
Vehicles	-	-	57,685	-	57,685	57,685
Furniture and Equipment	-	-	55,382	-	55,382	51,451
Amount to be Provided for Retirement of General Long-Term Debt	-	-	-	206,440	206,440	213,800
<u>TOTAL ASSETS</u>	<u>\$ 67,751</u>	<u>\$ 15,445</u>	<u>\$ 313,247</u>	<u>\$ 206,440</u>	<u>\$ 602,883</u>	<u>\$ 591,024</u>
<u>LIABILITIES AND FUND BALANCE</u>						
<u>LIABILITIES</u>						
Accounts Payable	\$ -	\$ 9,984	\$ -	\$ -	\$ 9,984	\$ 9,866
Other Accrued Expenses	4,282	-	-	-	4,282	2,043
Due To Other Funds	-	4,026	-	-	4,026	-
Notes Payable	-	-	-	206,440	206,440	213,800
Total Liabilities	4,282	14,010	-	206,440	224,732	225,709
<u>FUND BALANCE</u>						
Investment in General Fixed Assets	-	-	313,247	-	313,247	309,316
Fund Balance Reserved:						
Utilities Assistance	-	1,435	-	-	1,435	1,113
Unreserved and Undesignated	63,469	-	-	-	63,469	54,886
Total Fund Balance	63,469	1,435	313,247	-	378,151	365,315
<u>TOTAL LIABILITIES AND FUND BALANCE</u>	<u>\$ 67,751</u>	<u>\$ 15,445</u>	<u>\$ 313,247</u>	<u>\$ 206,440</u>	<u>\$ 602,883</u>	<u>\$ 591,024</u>

The accompanying notes are an integral part of this financial statement.

UNION COUNCIL ON THE AGING, INC  
FARMERVILLE, LOUISIANA

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES-ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED JUNE 30, 1999  
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 1998

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Totals (Memorandum Only)</u>	
			<u>1999</u>	<u>1998</u>
<u>REVENUES</u>				
Intergovernmental	\$ 21,779	\$ 237,122	\$ 258,901	\$ 247,632
Public Support	21,944	36,065	58,009	39,913
Miscellaneous	107,344	-	107,344	86,219
Interest Income	1,706	-	1,706	-
Total Revenues	<u>152,773</u>	<u>273,187</u>	<u>425,960</u>	<u>373,764</u>
<u>EXPENDITURES</u>				
Current:				
Salaries	-	134,969	134,969	118,213
Fringe	42	11,858	11,900	10,767
Travel	-	5,948	5,948	12,191
Operating Services	20	71,709	71,729	52,449
Operating Supplies	1,040	13,726	14,766	14,902
Other Costs	56,173	98,448	154,621	125,764
Capital Outlay	873	3,632	4,505	2,995
Principal Payments	7,360	-	7,360	4,550
Interest Payments	10,755	-	10,755	15,079
Utility Assistance	-	502	502	1,309
Total Expenditures	<u>76,263</u>	<u>340,792</u>	<u>417,055</u>	<u>358,219</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</u>				
	76,510	(67,605)	8,905	15,545
<u>OTHER FINANCING SOURCES (USES)</u>				
Operating Transfers - In	-	103,087	103,087	113,943
Operating Transfers - Out	(67,927)	(35,160)	(103,087)	(113,943)
Total Other Financing Sources (Uses)	<u>(67,927)</u>	<u>67,927</u>	<u>-</u>	<u>-</u>
<u>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES</u>				
	8,583	322	8,905	15,545
<u>FUND BALANCE AT BEGINNING OF YEAR</u>				
	<u>54,886</u>	<u>1,113</u>	<u>55,999</u>	<u>40,454</u>
<u>FUND BALANCE AT END OF YEAR</u>				
	<u>\$ 63,469</u>	<u>\$ 1,435</u>	<u>\$ 64,904</u>	<u>\$ 55,999</u>

The accompanying notes are an integral part of this financial statement.

UNION COUNCIL ON THE AGING, INC.  
FARMERVILLE, LOUISIANA

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL  
ALL GOVERNMENTAL FUND TYPES

FOR THE YEAR ENDED JUNE 30, 1999

	General Fund		
	GAAP Basis Budget	Actual	Variance - Favorable (Unfavorable)
<u>REVENUES</u>			
Intergovernmental	\$ 21,779	\$ 21,779	\$ -
Public Support	-	21,944	21,944
Miscellaneous	-	107,344	107,344
Interest Income	-	1,706	1,706
Total Revenues	<u>21,779</u>	<u>152,773</u>	<u>130,994</u>
<u>EXPENDITURES</u>			
Current:			
Salaries	-	-	-
Fringe	-	42	(42)
Travel	-	-	-
Operating Services	-	20	(20)
Operating Supplies	-	1,040	(1,040)
Other Costs	-	56,173	(56,173)
Capital Outlay	-	873	(873)
Principal Payments	-	7,360	(7,360)
Interest Payments	-	10,755	(10,755)
Utility Assistance	-	-	-
Total Expenditures	<u>-</u>	<u>76,263</u>	<u>(76,263)</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</u>	21,779	76,510	54,731
<u>OTHER FINANCING SOURCES (USES)</u>			
Operating Transfers - In	-	-	-
Operating Transfers - Out	<u>(21,779)</u>	<u>(67,927)</u>	<u>(46,148)</u>
Total Other Financing Sources (Uses)	<u>(21,779)</u>	<u>(67,927)</u>	<u>(46,148)</u>
<u>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES</u>	-	8,583	8,583
<u>FUND BALANCE AT BEGINNING OF YEAR</u>	<u>-</u>	<u>54,886</u>	<u>54,886</u>
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ -</u>	<u>\$ 63,469</u>	<u>\$ 63,469</u>

Special Revenue Funds		
GAAP Basis Budget	Actual	Variance - Favorable (Unfavorable)
\$ 285,979	\$ 237,122	\$ (48,857)
34,350	36,065	1,715
-	-	-
-	-	-
<u>320,329</u>	<u>273,187</u>	<u>(47,142)</u>
133,459	134,969	(1,510)
11,813	11,858	(45)
7,073	5,948	1,125
69,962	71,709	(1,747)
13,366	13,726	(360)
102,367	98,448	3,919
4,068	3,632	436
-	-	-
-	-	-
-	502	(502)
<u>342,108</u>	<u>340,792</u>	<u>1,316</u>
(21,779)	(67,605)	(45,826)
104,684	103,087	(1,597)
<u>(82,905)</u>	<u>(35,160)</u>	<u>47,745</u>
<u>21,779</u>	<u>67,927</u>	<u>46,148</u>
-	322	322
<u>-</u>	<u>1,113</u>	<u>1,113</u>
<u>\$ -</u>	<u>\$ 1,435</u>	<u>\$ 1,435</u>

The accompanying notes are an integral part of this financial statement.

UNION COUNCIL ON THE AGING, INC.  
FARMERVILLE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 1999

Note 1- Summary of Significant Accounting Policies

A. Reporting Entity

In 1964, the State of Louisiana passed Act 456 that authorized the charter of voluntary councils on aging for the welfare of the aging people in their representative parishes. Charters are issued by the Louisiana Secretary of State upon approval by the Governor's Office of Elderly Affairs. The Union Council on the Aging, Inc. is a non-profit, quasi-public, corporation which must comply with the policies and regulations established by the Governor's Office of Elderly Affairs, the state agency which provides the Council with most of its revenues. The Council also receives revenues from other federal, state, and local government agencies which may impose certain restrictions upon how the Council can use the money that they have provided.

The primary function of the Union Council on the Aging, Inc. is to improve the quality of life for the parish's elderly and to provide services to the elderly as well as coordinate and monitor the services of other local agencies serving the aging people of the parish. Such services include providing meals, nutritional education, information and referral services, legal assistance, homemaker services, operating senior centers, and transportation. A Board of Directors, consisting of 14 voluntary members who serve three-year terms governs the Council.

The Council is not a component unit of another primary government nor does it have any component units that are related to it. Therefore, the Council has presented its financial statements as a separate special purpose government.

B. Presentation of Statements

In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local government entities. In November of 1984, the GASB issued a codification of governmental accounting and financial reporting standards. This codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local governments.

The accompanying financial statements conform to generally accepted accounting principles for state and local governments. These statements have also incorporated any applicable requirements set forth by *Audits of State and Local Governmental Units*, the industry audit guide issued by the American Institute of Certified Public Accountants; Subsection VI-Annual Financial Reporting, accounting manual for Governor's Office of Elderly Affairs contractors, and the *Louisiana Governmental Audit Guide*.

UNION COUNCIL ON THE AGING, INC.  
FARMERVILLE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 1999

Note 1- Summary of Significant Accounting Policies (continued)

C. Fund Accounting

The Council uses funds and account groups to report its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain functions or activities.

The accounts of the Council are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, equity, revenues, and expenditures, or expenses, as appropriate. Resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements in this report, into two generic fund types and two broad fund categories (account groups).

Governmental funds are used to account for all or most of the Council's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition of fixed assets, and the servicing of general long-term debt.

The governmental funds and the programs comprising them as presented in the financial statements are described as follows:

GOVERNMENTAL FUNDS

General Fund

The General Fund is the general operating fund of the Council. It is used to account for all financial resources except those required to be accounted for in another fund. These discretionary funds are accounted for and reported according to the source (federal, state, or local) from which they are derived. The following types of programs comprise the Council's General Fund:

Local Funds

Local funds are received from various local sources; such funds not being restricted to any special use.

PCOA (ACT 735) Funds

PCOA (Act 735) funds are appropriated for the Governor's Office of Elderly Affairs by the Louisiana Legislature for remittance to the Council on Aging. The Council may use these "Act 735" funds at its discretion provided the program is benefiting people who are at least 60.

UNION COUNCIL ON THE AGING, INC.  
FARMERVILLE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 1999

Note 1- Summary of Significant Accounting Policies (continued)

Medicaid Funds

This is a program where the Council completes enrollment application for people wanting to apply for Medicaid services. The Council is paid for each application it completes by the Department of Health and Hospital (DHH).

Any funds remaining after applying direct cost to operate this program are available for discretionary use by management.

The Council also acts as a coordinator of services for people who are home-bound and in need of services similar to those provided in a nursing home. Rather than have the person sent to a nursing home, the Council coordinates necessary services and is paid a fee by Medicaid for performing the case management function.

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. Most of the Council's special revenue funds are provided by GOEA. The Title III funds are provided by the United States Department of Health and Human Services Administration on Aging through the Governor's Office of Elderly Affairs which in turn "passes through" the funds to the Council.

The following are the funds that comprise the Council's Special Revenue Funds:

Title III-B Supportive Services Fund

This program provides access services, in-home services, community services, legal assistance and transportation for the elderly.

Senior Center Fund

This program provides community service centers at which older persons receive supportive services and participate in activities which foster their independence, enhance their dignity and encourage their involvement in and with the community.

Title III C-1 Congregate Meals Fund

These funds are used to provide nutritional congregate meals to the elderly in strategically located centers.

UNION COUNCIL ON THE AGING, INC.  
FARMERVILLE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 1999

Note 1- Summary of Significant Accounting Policies (continued)

Title III C-2 Home Delivered Meals Fund

These funds are used to provide nutritional meals to home-bound older persons.

U.S.D.A. Fund

The U.S.D.A. fund is used to account for the administration of Food Distribution Program funds provided by the United States Department of Agriculture through the Louisiana Governor's Office of Elderly Affairs. This program reimburses the service provider on a per unit basis for each congregate and home-delivered meal served to an eligible participant so that the United States food and commodities may be purchased to supplement these programs.

Title III-D In Home Services

The III-D Fund is used to account for funds which are used to provide in-home services to frail older individuals, including in-home supportive services for older individuals who are victims of Alzheimer's disease and related disorders with neurological and organic brain dysfunction, and to the families of such victims.

Title III-F Disease Prevention

This program provides preventive health services.

Supplemental Senior Center Fund

The Louisiana Legislature appropriated additional money for various Councils on Aging through the state to be used to supplement the primary state grant for senior centers. Union Council on the Aging, Inc. was one of the parish councils to receive a supplemental grant.

Utility Assistance Fund

The Utility Assistance fund is used to account for the administration of programs that are sponsored by local utility companies. The companies collect contributions from service customers and remit the funds to the parish Councils on Aging to provide assistance to the elderly for the payment of their utility bills.

ACCOUNT GROUPS

The following account groups are not "funds". They are concerned only with the measurement of financial position and are not involved with measurement of results of operations.

UNION COUNCIL ON THE AGING, INC.  
FARMERVILLE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 1999

Note 1- Summary of Significant Accounting Policies (continued)

General Fixed Assets Account Group

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, rather than in governmental funds. No depreciation has been provided on general fixed assets.

The cost of normal maintenance and repairs that do not add to the value of fixed assets or materially extend their useful lives are not capitalized but are only recognized as a normal expenditure of the governmental funds.

General Long-Term Debt

Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Debt Account Group, not in the governmental funds.

Because of their spending measurement focus, expenditure recognition for governmental fund types is limited to exclude amounts represented by noncurrent liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities. They are instead reported as liabilities in the General Long-Term Debt Account Group.

D. Total Columns on Combined Statements - Overview

Total columns on the Combined Statements - Overview are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

E. Basis of Accounting

The financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements for these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is used for reporting all governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

Transfers between funds that are not expected to be repaid are accounted for as other financing sources (uses) and are recognized when the underlying events occur.

UNION COUNCIL ON THE AGING, INC.  
FARMERVILLE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 1999

Note 1 - Summary of Significant Accounting Policies (continued)

F. Budget Policy

The Council follows these procedures in establishing the budgetary data reflected in these financial statements:

The Governor's Office of Elderly Affairs (GOEA) notifies the Council each year as to the funding levels for each program's grant award.

The Executive Director prepares a proposed budget based on the funding levels provided by GOEA and then submits the budget to the Board of Directors for approval.

The Board of Directors reviews and adopts the budget before June 30<sup>th</sup> of the current year for the next year.

The adopted budget is forwarded to the Governor's Office of Elderly Affairs for final approval.

All budgetary appropriations lapse at the end of each fiscal year (June 30).

The budget is prepared on a modified accrual basis, consistent with the basis of accounting, for comparability of budgeted and actual revenues and expenditures.

Actual amounts are compared to budgeted amounts periodically during the fiscal year as a management control device.

The council may transfer funds between line items as often as required, but must obtain prior approval for the Governor's Office of Elderly Affairs for funds received under grants from this state agency.

Expenditures cannot legally exceed appropriations on an individual level.

Amounts were not budgeted for revenues and expenses for the utility assistance fund because they were not legally required and the amount of revenues to be received under this program could not be determined.

G. Fixed Assets

All fixed assets are stated at historical cost or estimated historical cost, if actual historical cost is not available. Donated fixed assets are stated at their estimated fair market value on the date donated. No depreciation has been provided on general fixed assets.

UNION COUNCIL ON THE AGING, INC.  
FARMERVILLE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 1999

Note 1 - Summary of Significant Accounting Policies (continued)

H. Compensated Absences

Employees of the Union Council on the Aging, Inc. earn from 10 to 20 days of annual leave each year with 10 days allowed to be carried over to next year, depending on their length of service and the employee's working status (full-time or part-time). Provided that funds are available, employees are compensated upon termination of employment for current-year accrued annual leave. Employees earn up to 12 days of sick leave each year, and can accumulate up to 60 days, depending upon whether the employee is on a part-time or full-time status. Employees are not paid for accrued sick leave at termination and no accrual has been made.

I. Funding Policies and Sources of Funds

The Council receives its monies through various methods of funding. USDA cash-in-lieu of commodities funds are provided through the Louisiana Governor's Office of Elderly Affairs to help offset raw food cost in Title III C-1 and C-2 programs. This program is funded under the units of service provided method. The Senior Center program and State Allocation (PCOA) funds are received as a monthly allocation of the total budget (grant) in advance of the actual expenditure. The Title III-B, C-1, C-2, D and F programs are funded based on actual operating cost incurred.

The Council encourages and receives contributions from clients to help offset the costs of the Title III-B, C-1, and C-2 programs. Utility assistance funds are also provided by the Louisiana Association of Council on Aging to the Council under the Helping Hands and Heating Help Energy programs. All of the above mentioned funds, including any other miscellaneous income, are recorded as revenue when the cash is received because the Council cannot predict the timing and amount of receipt.

J. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Note 2 - Cash and Certificates of Deposit

At June 30, 1999, the book balance of the Council's bank deposits was \$71,841.

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial

UNION COUNCIL ON THE AGING, INC.  
FARMERVILLE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 1999

Note 2 - Cash and Certificate of Deposit (continued).

bank that is mutually acceptable to both parties. Cash and cash equivalents (bank balances) at June 30, 1999 are secured as follows:

Bank Balances	\$ 71,840
Federal Deposit Insurance	\$ 100,000
Pledged Securities (Uncollateralized)	-----
Total	\$ 100,000

Because the pledged securities are held by the custodial bank in the name of the fiscal agent bank rather than in the name of the Council, they are considered uncollateralized (Category 3) under the provision of GASB Codification C20.106; however Louisiana Revised Statute 39.1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Council that the fiscal agent bank has failed to pay deposited funds upon demand.

Note 3 - Receivables

Accounts receivable at June 30, 1999, consisting of reimbursements for expenses incurred under the USDA program, was \$4,026, and from the Medicaid program was \$3,303.

Note 4 - Fixed Assets

A summary of changes in general fixed assets follows:

	<u>Balance</u> <u>July 1, 1998</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 1999</u>
Land	\$ 6,000	\$ -	\$ -	\$ 6,000
Building	194,180	-	-	194,180
Vehicles	57,685	-	-	57,685
Furniture & Fixtures	51,451	4,505	-	55,956
<u>TOTALS</u>	<u>\$ 309,316</u>	<u>\$ 4,505</u>	<u>\$ -</u>	<u>\$ 313,821</u>

UNION COUNCIL ON THE AGING, INC.  
FARMERVILLE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 1999

Note 5 - In-Kind Contributions

The Council received various in-kind contributions during the year. These in-kind contributions have not been recorded in the financial statements as revenues, nor has the expenditure related to the use of the in-kind been recorded. The primary in-kind contributions consisted of free rent and utilities for the senior center and meal sites, and wages and fringe benefits for volunteer workers.

Note 6 - Board of Directors' Compensation

The Board of Directors is a voluntary board; therefore, no compensation has been paid to any member. However, board members are reimbursed for out-of-town travel expenses incurred in accordance with the Council's regular personnel policy.

Note 7 - Income Tax Status

The Council, a non-profit corporation is exempt from federal income taxation under Section 501 (c) (3) of the Internal Revenue Code.

Note 8 - Litigation and Claims

There was no litigation pending against the Council at June 30, 1999, nor is the Council aware of any unasserted claims.

Note 9 - Federal Award Programs

The Council receives revenues from various federal and state grant programs that are subject to final review and approval as to the allowability of expenditures by the respective grantor agencies. These programs are audited in accordance with the *Single Audit Act Amendment of 1996*. Any settlements or expenses arising out of a final review are recognized in the period agreed upon by the agency and the Council. Also, it is management's opinion that any audits by the grantor agencies would not produce disallowed program costs and liabilities to such an extent that they would materially affect the Council's financial position.

Note 10-Economic Dependency

The Council receives the majority of its revenue from funds provided through grants administered by the Louisiana Governor's Office of Elderly Affairs. The grant amounts are appropriated each year by the federal and state governments. If significant budget cuts are made at the federal and/or state level, the amount of the funds the Council receives could be reduced significantly and have an adverse impact on its operations. Management is not aware of any actions that will adversely affect the amount of funds the Council will receive in the next fiscal year.

UNION COUNCIL ON THE AGING, INC.  
FARMERVILLE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 1999

Note 11-Long-Term Debt

The following is a summary of transactions relating to the Council's long-term obligations for the year ended June 30, 1999:

	<u>FmHA</u> <u>Note Payable</u>	<u>Auto</u> <u>Note Payable</u>	<u>Total</u>
<u>Balance at Beginning of Year</u>	\$ 198,436	\$ 15,364	\$ 213,800
Additions (Net)	-	-	-
Retirements	<u>3,439</u>	<u>3,921</u>	<u>7,360</u>
 <u>BALANCE AT END OF YEAR</u>	 \$ 194,997	 \$ 11,443	 \$ 206,440

The first note is with Farmers Home Administration for the construction of a building and the purchase of land which are pledged as collateral

The principal portion of the note was \$204,100 with an interest rate of 5.25% per year. Payments of \$1,129 are made monthly for 30 years beginning September, 1996.

The second note is with General Motors for a van which is pledged as collateral.

The principal portion of the note was \$16,629 with an interest rate of 4.90% per year. Payments of \$382 are made monthly for 48 months beginning March 1998.

The annual requirements to amortize the notes outstanding as of June 30, 1999, including interest payments of \$170,985 are as follows:

<u>June 30,</u>	<u>FmHA</u> <u>Note Payable</u>	<u>Auto</u> <u>Note Payable</u>
2000	\$ 13,525	\$ 4,586
2001	13,525	4,586
2002	13,525	3,058
2003	13,525	-
2004	13,525	-
Thereafter	<u>297,550</u>	<u>-</u>
 <u>TOTAL</u>	 \$ 365,175	 \$ 12,230

UNION COUNCIL ON THE AGING, INC.  
FARMERVILLE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 1999

Note 12-Interfund Transfers

Operating transfers in and out are listed by fund for 1999:

<u>Funds Transferred In</u>	<u>Funds Transferred Out</u>				<u>Total In</u>
	<u>Senior Center</u>	<u>Supplemental Senior Center</u>	<u>USDA</u>	<u>General Fund</u>	
Title IIIB- Supportive Services	\$ 6,625	\$ -	\$ -	\$ 39,201	\$ 45,826
Title III C-1	-	4,500	11,268	10,890	26,658
Title III C-2	-	-	12,767	16,997	29,764
Title III-D	-	-	-	649	649
Title III-F	-	-	-	190	190
Total Out	\$ 6,625	\$ 4,500	\$ 24,035	\$ 67,927	\$ 103,087

Note 13-Related Party Transactions

The Council, through a wholly owned subsidiary (Union Senior Homes, Inc.) entered into an agreement with the husband of one of the Council's board members. Union Senior Homes, Inc. obtained a one-tenth of one percent interest as a general partner in a limited partnership controlled by the related party. The amount of any current or future liabilities is unknown.

Note 14-Risk Management

The Council is exposed to various risks of loss related to torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The council has purchased commercial insurance to cover or reduce the risk of loss that might arise should one of these incidents occur. No settlements were made during the year that exceeded the Council's insurance coverage.

Note 15-Year 2000 Issue

The year 2000 issue is the result of shortcomings in many electronic data processing systems and other electronic equipment that may adversely affect the government's operations. The Council has identified its computer system and other electronic equipment that may be affected by the year 2000 issue and that are necessary to conducting Council operations. All of these systems and equipment have been assessed, remediated, tested and validated.

UNION COUNCIL ON THE AGING, INC.  
FARMERVILLE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 1999

Note 15-Year 2000 Issue (continued)

All of the systems were remediated by in-house staff, therefore there were no outside contracted amounts for this project as of June 30, 1999.

Because of the unprecedented nature of the Year 2000 issue, its effects and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter. Management cannot assure that the Council is or will be Year 2000 ready, that the Council's remediation efforts will be successful in whole or in part, or that parties with whom the Council does business will be year 2000 ready.

Note 16-Contingent Liability

Union Senior Homes, Inc., a wholly owned subsidiary of Union Council on the Aging, Inc., has guaranteed a debt obligation of a limited partnership (see note 13). Although the amount of the liability could not be determined, it could have a material impact on the financial statements as presented.

Supplemental Information Schedules:

Combining and Account Group Schedules

UNION COUNCIL ON THE AGING, INC.  
FARMERVILLE, LOUISIANA

GENERAL FUNDS  
COMBINING BALANCE SHEETS  
JUNE 30, 1999 AND 1998

	<u>Programs of the General Fund</u>			<u>Totals</u>	
	<u>Local</u>	<u>PCOA (Act 735)</u>	<u>Medicaid</u>	<u>1999</u>	<u>1998</u>
<u>ASSETS</u>					
Cash & Cash Equivalents	\$ 48,969	\$ -	\$ 15,479	\$ 64,448	\$ 53,924
Accounts Receivable	-	-	3,303	3,303	3,387
Prepaid Expenses	-	-	-	-	2,473
<u>TOTAL ASSETS</u>	<u>\$ 48,969</u>	<u>\$ -</u>	<u>\$ 18,782</u>	<u>\$ 67,751</u>	<u>\$ 59,784</u>
<u>LIABILITIES AND FUND BALANCE</u>					
<u>LIABILITIES</u>					
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ 2,855
Other Accrued Expenses	4,282	-	-	4,282	2,043
Total Liabilities	4,282	-	-	4,282	4,898
<u>FUND BALANCE</u>					
Unreserved and Undesignated	44,687	-	18,782	63,469	54,886
<u>TOTAL LIABILITIES AND FUND BALANCE</u>	<u>\$ 48,969</u>	<u>\$ -</u>	<u>\$ 18,782</u>	<u>\$ 67,751</u>	<u>\$ 59,784</u>

UNION COUNCIL ON THE AGING, INC.  
FARMERVILLE, LOUISIANA

GENERAL FUNDS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES

FOR THE YEAR ENDED JUNE 30, 1999  
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 1998

	<u>Programs of the General Fund</u>			<u>Totals</u>	
	<u>Local</u>	<u>PCOA (Act 735)</u>	<u>Medicaid</u>	<u>1999</u>	<u>1998</u>
<u>Revenues</u>					
Intergovernmental	\$ -	\$ 21,779	\$ -	\$ 21,779	\$ 11,779
Public Support	21,944	-	-	21,944	-
Miscellaneous	81,688	-	25,656	107,344	80,810
Interest Income	1,706	-	-	1,706	-
Total Revenues	<u>105,338</u>	<u>21,779</u>	<u>25,656</u>	<u>152,773</u>	<u>92,589</u>
<u>Expenditures</u>					
Fringe	42	-	-	42	145
Operating Services	20	-	-	20	-
Operating Supplies	1,040	-	-	1,040	1,937
Other Costs	56,173	-	-	56,173	14,228
Capital Outlay	873	-	-	873	-
Principal Payments	7,360	-	-	7,360	4,550
Interest Payments	10,755	-	-	10,755	15,079
Total Expenditures	<u>76,263</u>	<u>-</u>	<u>-</u>	<u>76,263</u>	<u>35,939</u>
<u>Excess of Revenues Over</u>					
<u>Expenditures</u>	29,075	21,779	25,656	76,510	56,650
<u>Other Financing Sources (Uses)</u>					
Operating Transfers Out	(20,492)	(21,779)	(25,656)	(67,927)	(37,227)
<u>Excess of Revenues and Other</u>					
<u>Financing Sources Over</u>					
<u>Expenditures and Other</u>					
<u>Financing Uses</u>	8,583	-	-	8,583	19,423
<u>Fund Balance at Beginning of Year</u>	<u>36,104</u>	<u>-</u>	<u>18,782</u>	<u>54,886</u>	<u>35,463</u>
<u>FUND BALANCE AT</u>					
<u>END OF YEAR</u>	<u>\$ 44,687</u>	<u>\$ -</u>	<u>\$ 18,782</u>	<u>\$ 63,469</u>	<u>\$ 54,886</u>

UNION COUNCIL ON THE AGING, INC.  
FARMERVILLE, LOUISIANA

SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET

JUNE 30, 1999

WITH COMPARATIVE TOTALS FOR JUNE 30, 1998

	<u>Title III B</u> <u>Supportive</u> <u>Services</u>	<u>Title III C-1</u> <u>Congregate</u> <u>Meals</u>	<u>Title III C-2</u> <u>Home</u> <u>Delivered</u> <u>Meals</u>	<u>Senior</u> <u>Center</u>	<u>Title III D</u> <u>In-Home</u> <u>Services</u>
<u>ASSETS</u>					
Cash & Cash Equivalents	\$ 623	\$ 4,420	\$ 784	\$ 14	\$ 117
Receivables	-	-	-	-	-
Due From Other Funds	-	-	4,026	-	-
<u>TOTAL ASSETS</u>	<u>\$ 623</u>	<u>\$ 4,420</u>	<u>\$ 4,810</u>	<u>\$ 14</u>	<u>\$ 117</u>
<u>LIABILITIES AND FUND EQUITY</u>					
<u>LIABILITIES</u>					
Accounts Payable	\$ 623	\$ 4,420	\$ 4,810	\$ 14	\$ 117
Due To Other Funds	-	-	-	-	-
Total Liabilities	<u>623</u>	<u>4,420</u>	<u>4,810</u>	<u>14</u>	<u>117</u>
Fund Balances:					
Reserved for:					
Utilities Assistance	-	-	-	-	-
Unreserved & Undesignated	-	-	-	-	-
Total Fund Equity	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>TOTAL LIABILITIES AND</u> <u>FUND EQUITY</u>	<u>\$ 623</u>	<u>\$ 4,420</u>	<u>\$ 4,810</u>	<u>\$ 14</u>	<u>\$ 117</u>

Supplemental Senior Center	Title III F Disease Prevention	Utilities Assistance	USDA	Totals	
				1999	1998
\$ -	\$ -	\$ 1,435	\$ -	\$ 7,393	\$ 5,571
-	-	-	4,026	4,026	5,026
-	-	-	-	4,026	-
				-	
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,435</u>	<u>\$ 4,026</u>	<u>\$ 15,445</u>	<u>\$ 10,597</u>
\$ -	\$ -	\$ -	\$ -	\$ 9,984	\$ 9,484
-	-	-	4,026	4,026	-
-	-	-	4,026	14,010	9,484
-	-	1,435	-	1,435	1,113
-	-	-	-	-	-
-	-	1,435	-	1,435	1,113
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,435</u>	<u>\$ 4,026</u>	<u>\$ 15,445</u>	<u>\$ 10,597</u>

UNION COUNCIL ON THE AGING, INC.  
FARMERVILLE, LOUISIANA

SPECIAL REVENUE FUNDS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES

FOR THE YEAR ENDED JUNE 30, 1999  
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 1998

	Title III B Supportive Services	Title III C-1 Congregate Meals	Title III C-2 Home Delivered Meals	Senior Center	Title III D In-Home Services
<u>REVENUES</u>					
Intergovernmental:					
Office of Elderly Affairs	\$ 51.875	\$ 59.840	\$ 68.668	\$ 22,999	\$ 2.007
Public Support:					
LA Association of Councils on Aging	-	-	-	-	-
Client Contributions	5.531	15.789	13,921	-	-
Total Public Support	5.531	15,789	13,921	-	-
 Total Revenues	 57,406	 75,629	 82,589	 22,999	 2,007
<u>EXPENDITURES</u>					
Current:					
Salaries	60,943	30,233	33,686	8,379	1,728
Fringe	5,236	2,769	3,042	659	152
Travel	2,156	434	2,694	24	411
Operating Services	26,794	17,632	19,312	7,312	311
Operating Supplies	7,096	2,156	3,465	-	36
Other Costs	397	48,489	49,562	-	-
Total Current Expenditures	102,622	101,713	111,761	16,374	2,638
Capital Outlay	610	574	592	-	18
Utility Assistance	-	-	-	-	-
Total Expenditures	103,232	102,287	112,353	16,374	2,656
 <u>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</u>	 (45,826)	 (26,658)	 (29,764)	 6,625	 (649)
<u>OTHER FINANCING SOURCES (USES)</u>					
Operating Transfers - In	45,826	26,658	29,764	-	649
Operating Transfers - Out	-	-	-	(6,625)	-
Total Other Financing Sources (Uses)	45,826	26,658	29,764	(6,625)	649
 <u>EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES</u>	 -	 -	 -	 -	 -
 <u>FUND BALANCES AT BEGINNING OF YEAR</u>	 -	 -	 -	 -	 -
 <u>FUND BALANCES AT END OF YEAR</u>	 \$ -	 \$ -	 \$ -	 \$ -	 \$ -

Supplemental Senior Center	Title III F Disease Prevention	Utilities Assistance	USDA	Totals	
				1999	1998
\$ 4,500	\$ 3,198	\$ -	\$ 24,035	\$ 237,122	\$ 235,853
-	-	824	-	824	834
-	-	-	-	35,241	44,488
-	-	824	-	36,065	45,322
4,500	3,198	824	24,035	273,187	281,175
-	-	-	-	134,969	118,213
-	-	-	-	11,858	10,622
-	229	-	-	5,948	12,191
-	348	-	-	71,709	52,449
-	973	-	-	13,726	12,965
-	-	-	-	98,448	125,536
-	1,550	-	-	336,658	331,976
-	1,838	-	-	3,632	2,995
-	-	502	-	502	1,309
-	3,388	502	-	340,792	336,280
4,500	(190)	322	24,035	(67,605)	(55,105)
-	190	-	-	103,087	95,543
(4,500)	-	-	(24,035)	(35,160)	(44,316)
(4,500)	190	-	(24,035)	67,927	51,227
-	-	322	-	322	(3,878)
-	-	1,113	-	1,113	4,991
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,435</u>	<u>\$ -</u>	<u>\$ 1,435</u>	<u>\$ 1,113</u>

UNION COUNCIL ON THE AGING, INC.  
FARMERVILLE, LOUISIANA

SCHEDULE OF PROGRAM EXPENDITURES - BUDGET VS. ACTUAL  
CONTRACTS AND GRANTS PROVIDED THROUGH THE LOUISIANA  
GOVERNOR'S OFFICE OF ELDERLY AFFAIRS (GOEA)

FOR THE YEAR ENDED JUNE 30, 1999

	Budget	Actual	Variance - Favorable (Unfavorable)
<u>TITLE III B SUPPORTIVE SERVICES</u>			
Salaries	\$ 58,318	\$ 60,943	\$ (2,625)
Fringe Benefits	4,134	5,236	(1,102)
Travel	2,075	2,156	(81)
Operating Services	23,658	26,794	(3,136)
Operating Supplies	7,172	7,096	76
Other Costs	3,840	397	3,443
Capital Outlay	693	610	83
Subtotal	99,890	103,232	(3,342)
Transfers In From:			
General Fund	(7,118)	(13,545)	6,427
Medicaid	(25,384)	(25,656)	272
Senior Center	(5,513)	(6,625)	1,112
Total III-B Supportive Services	\$ 61,875	\$ 57,406	\$ 4,469
<u>TITLE III C-1 CONGREGATE MEALS</u>			
Salaries	\$ 31,178	\$ 30,233	\$ 945
Fringe Benefits	3,328	2,769	559
Travel	780	434	346
Operating Services	18,398	17,632	766
Operating Supplies	2,813	2,156	657
Other Costs	51,756	48,489	3,267
Capital Outlay	756	574	182
Subtotal	109,009	102,287	6,722
Transfers In From:			
General Fund	(12,179)	-	(12,179)
PCOA (Act 735)	(10,890)	(10,890)	-
Supplemental Senior Center	(4,500)	(4,500)	-
USDA	(11,000)	(11,268)	268
Total III C-1 Congregate Meals	\$ 70,440	\$ 75,629	\$ (5,189)
<u>TITLE III C-2 HOME DELIVERED MEALS</u>			
Salaries	\$ 34,126	\$ 33,686	\$ 440
Fringe Benefits	3,568	3,042	526
Travel	3,880	2,694	1,186
Operating Services	19,036	19,312	(276)
Operating Supplies	2,381	3,465	(1,084)
Other Costs	46,621	49,562	(2,941)
Capital Outlay	766	592	174
Subtotal	110,378	112,353	(1,975)
Transfers In From:			
General Fund	(4,071)	(6,108)	2,037
PCOA (Act 735)	(10,889)	(10,889)	-
USDA	(13,000)	(12,767)	(233)
Total III C-2 Home Delivered Meals	\$ 82,418	\$ 82,589	\$ (171)

UNION COUNCIL ON THE AGING, INC.  
FARMERVILLE, LOUISIANA

SCHEDULE OF PROGRAM EXPENDITURES - BUDGET VS. ACTUAL  
CONTRACTS AND GRANTS PROVIDED THROUGH THE LOUISIANA  
GOVERNOR'S OFFICE OF ELDERLY AFFAIRS (GOEA)

FOR THE YEAR ENDED JUNE 30, 1999

	Budget	Actual	Variance - Favorable (Unfavorable)
<u>SENIOR CENTER</u>			
Salaries	\$ 8,401	\$ 8,379	\$ 22
Fringe Benefits	654	659	(5)
Travel	-	24	(24)
Operating Services	8,431	7,312	1,119
Subtotal	17,486	16,374	1,112
Transfers Out To:			
Title III B Supportive Services	5,513	6,625	(1,112)
Total Senior Center	<u>\$ 22,999</u>	<u>\$ 22,999</u>	<u>\$ -</u>
<u>TITLE III D IN HOME SERVICES</u>			
Salaries	\$ 1,436	\$ 1,728	\$ (292)
Fringe Benefits	129	152	(23)
Travel	124	411	(287)
Operating Services	266	311	(45)
Operating Supplies	27	36	(9)
Other Costs	150	-	150
Capital Outlay	15	18	(3)
Subtotal	2,147	2,656	(509)
Transfers In From:			
General Fund	(140)	(649)	509
Title III D In Home Services	<u>\$ 2,007</u>	<u>\$ 2,007</u>	<u>\$ -</u>
<u>TITLE III F DISEASE PREVENTION</u>			
Travel	\$ 214	\$ 229	\$ (15)
Operating Services	173	348	(175)
Operating Supplies	973	973	-
Capital Outlay	1,838	1,838	-
Subtotal	3,198	3,388	(190)
Transfers In From:			
General Fund	-	(190)	190
Total III F Disease Prevention	<u>\$ 3,198</u>	<u>\$ 3,198</u>	<u>\$ -</u>
<u>USDA</u>			
Transfers Out To:			
Title III C-1 Congregate Meals	\$ 11,000	\$ 11,268	\$ (268)
Title III C-2 Home Delivered Meals	13,000	12,767	233
Total USDA	<u>\$ 24,000</u>	<u>\$ 24,035</u>	<u>\$ (35)</u>

UNION COUNCIL ON THE AGING, INC.  
FARMERVILLE, LOUISIANA

SCHEDULE OF PROGRAM EXPENDITURES - BUDGET VS. ACTUAL  
CONTRACTS AND GRANTS PROVIDED THROUGH THE LOUISIANA  
GOVERNOR'S OFFICE OF ELDERLY AFFAIRS (GOEA)

FOR THE YEAR ENDED JUNE 30, 1999

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
<u>SUPPLEMENTAL SENIOR CENTER</u>			
Transfers Out To:			
Title III B Supportive Services	\$ 4,500	\$ 4,500	\$ -
Total Supplemental Senior Center	<u>\$ 4,500</u>	<u>\$ 4,500</u>	<u>\$ -</u>

UNION COUNCIL ON THE AGING, INC.  
FARMERVILLE, LOUISIANA

SCHEDULE OF PRIORITY SERVICES-  
TITLE III, PART B - GRANT FOR SUPPORTIVE SERVICES

FOR THE YEAR ENDED JUNE 30, 1999

			<u>% of OEA Grant</u>
Access (30%):	Assisted Transportation	\$ 2,737	
	Case Management	843	
	Transportation	29,202	
	Information and Assistance	1,255	
	Outreach	<u>876</u>	
	Total Access Expense		34,913      67.30%
In-Home (15%):	Homemaker	13,133	
	Chore	-	
	Telephoning	-	
	Visiting	-	
	Adult/Daycare Health	-	
	Personal Care	<u>23,773</u>	
	Total In-Home Expense		36,906 <u>71.14%</u>
Legal (5%):	Legal Assistance	-	<u>0.00%</u>
Non-Priority Services		<u>31,413</u>	
Total Title III B-Supportive Expenditures		103,232	
Less: Participant Contributions		(5,531)	
Other Local Funds		(39,201)	
Transfers In		<u>(6,625)</u>	
	Original Grant Award Net of Additional State Homemaker and Transportation Funds And Transfers of Contract Allotments		<u>\$ 51,875</u>

GENERAL FIXED ASSET ACCOUNT GROUP

UNION COUNCIL ON THE AGING, INC.  
FARMERVILLE, LOUISIANA

SCHEDULE OF GENERAL FIXED ASSETS

JUNE 30, 1999 AND 1998

	Balance June 30, 1998	Additions	Deletions	Balance June 30, 1999
<u>GENERAL FIXED ASSETS</u>				
Land	\$ 6,000	\$ -	\$ -	\$ 6,000
Buildings	194,180	-	-	194,180
Vehicles	57,685	-	-	57,685
Office Furniture and Equipment	51,451	4,505	574	55,382
<u>TOTAL GENERAL FIXED ASSETS</u>	<u>\$ 309,316</u>	<u>\$ 4,505</u>	<u>\$ 574</u>	<u>\$ 313,247</u>
<u>INVESTMENT IN GENERAL FIXED ASSET</u>				
Property Acquired Prior to July 1, 1985 *	\$ 5,376	\$ -	\$ -	\$ 5,376
Property Acquired After July 1, 1985 With Funds From:				
Act 735	39,727	-	-	39,727
Local Fund	3,378	-	-	3,378
General Fund	19,629	4,505	-	24,134
Title III- C-1	9,250	-	-	9,250
Title III- C-2	5,611	-	-	5,611
Title III- B Supportive Services	9,964	-	216	9,748
Senior Center	4,616	-	-	4,616
Title III- D	272	-	-	272
Title III- F	11,313	-	358	10,955
FmHA Loan	200,180	-	-	200,180
<u>TOTAL INVESTMENT IN GENERAL FIXED ASSETS</u>	<u>\$ 309,316</u>	<u>\$ 4,505</u>	<u>\$ 574</u>	<u>\$ 313,247</u>

\* Records reflecting sources from which assets were acquired were not maintained prior to July 1, 1985.

OTHER SUPPLEMENTAL INFORMATION -  
GRANT ACTIVITY

UNION COUNCIL ON THE AGING INC.  
FARMERVILLE, LOUISIANA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 1999

<u>Federal Grants/Pass Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Program or Award Amount</u>	<u>Revenue Recognized</u>	<u>Expenditures</u>
<u>Programs Passed Through Governor's Office of Elderly Affairs:</u>				
Department of Health & Human Services - Administration on Aging:				
Special Programs for the Aging:				
Title III, Part B - Supportive Services and Senior Centers	93.044	\$ 67,093	\$ 67,093	\$ 67,093
Title III, Part C - Congregate Meals	93.045	46,509	46,509	46,509
Title III, Part C - Home Delivered Meals	93.045	24,368	24,368	24,368
Title III, Part D - In Home Services	93.046	1,706	1,706	1,706
Title III, Part F - Disease Prevention	93.043	2,718	2,718	2,718
Total Department of Health and Human Services - Administration on Aging		142,394	142,394	142,394
Department of Agriculture				
Food Distribution Program - Cash-in-Lieu of Commodities	10.550	24,035	24,035	24,035
<u>TOTAL FEDERAL AWARDS</u>		<u>\$ 166,429</u>	<u>\$ 166,429</u>	<u>\$ 166,429</u>

UNION COUNCIL ON THE AGING, INC.  
FARMERVILLE, LOUISIANA  
NOTES TO SCHEDULE OF EXPENDITURES  
OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 1999

1. General

The Schedule of Expenditures of Federal Awards presents the activity of all federal award programs of the Council. The Council did not pass through any of its federal awards to a subrecipient during the year.

2. Basis of Accounting

The Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting as contemplated under generally accepted accounting principles and which is the same basis of accounting used for presenting the general purpose financial statements.

# CAMERON, HINES & HARTT

(A Professional Accounting Corporation)

*Certified Public Accountants*

104 Regency Place

West Monroe, Louisiana 71291

P.O. Box 2474  
West Monroe, LA 71294-2474

Phone (318) 323-1717  
fax (318) 322-5121

## REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDIT STANDARDS

To The Board of Directors  
Union Council on the Aging, Inc.  
Farmerville, Louisiana

We have audited the general purpose financial statements of the Union Council on the Aging, Inc., as of and for the year ended June 30, 1999 and have issued our report thereon dated November 9, 1999. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### Compliance

As part of obtaining reasonable assurance about whether the Union Council on the Aging, Inc.'s general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our test disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Union Council on the Aging, Inc.'s internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgement, could adversely affect the Council's ability to record, process summarize and report financial data consistent with the assertions of management in the general purpose financial statements. The reportable condition is described in the accompanying schedule of findings and questioned costs as item 99-1.

To The Board of Directors  
Union Council on the Aging, Inc.  
Page Two

*A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe none of the reportable conditions described above is a material weakness*

This report is intended solely for the information of management, the Governor's Office of Elderly Affairs and the Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties.

*Cameron, Hines & Hartt (APAC)*

West Monroe, Louisiana  
November 9, 1999

UNION COUNCIL ON THE AGING, INC  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 1999

To the Board of Directors  
Union Council on the Aging, Inc.  
Farmerville, Louisiana

We have audited the general purpose financial statements of the Union Council on the Aging, Inc. as of and for the year ended June 30, 1999, and have issued our report thereon dated November 9, 1999. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements as of June 30, 1999, resulted in an unqualified opinion.

Section I- Summary of Auditor's Reports

A. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weakness \_\_\_ yes X no Reportable Conditions X yes \_\_\_ no

Compliance

Compliance Material to Financial Statements \_\_\_ yes X no

B. Federal Awards

Internal Control

Material Weakness \_\_\_ yes X no Reportable Conditions \_\_\_ yes X no

Type of Opinion on Compliance Unqualified \_\_\_ Qualified \_\_\_  
For Major Programs (No Major Programs) Disclaimer \_\_\_ Adverse \_\_\_

Are their findings required to be reported in accordance with Circular A-133, Section .510 (a)? NO

C. Identification of Major Programs: N/A

CFDA Number(s) Name of Federal Program (or cluster)

Dollar threshold used to distinguish between Type A and Type B Programs. N/A

Is the auditee a "low-risk" auditee, as defined by OMB Circular A-133? N/A

UNION COUNCIL ON THE AGING, INC  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 1999

(Continued)

Section II- Financial Statement Findings

99-1 Cash Disbursements for Senior Trips

Condition:

During the audit, it was noted that the Executive Director was the only signature on the Senior Trip checking account; there was not a second signature by a board member.

Criteria:

It is the Council's policy to have two signatures on all checks, the Executive Director and one board member.

Effect:

By not having the two signatures, there are no controls as to proper authorization of the expenditure.

Recommendation:

One board member should sign all disbursements out of this account in addition to the Executive Director's signature.

Response:

The Council will require disbursements out of this account to have two signatures on each check.

Section III- Federal Award Findings and Question Costs- N/A

UNION COUNCIL ON THE AGING, INC.  
SCHEDULE OF PRIOR YEAR FINDINGS  
FOR THE YEAR ENDED JUNE 30, 1999

Section I- Internal Control and Compliance Material to the Financial Statements

98-1 Internal Control Over Fund Raising Events

Condition:

After a review of the entity's internal control procedures over fund raising events, certain weaknesses were noted. When pre-numbered tickets are sold, there is no record kept of what tickets were sold and not sold. Therefore, the entity has no way of determining whether or not all cash collected was subsequently turned in and accounted for.

Recommendation:

It was recommended that the entity develop a record keeping system to account for all ticket sales for fund raising events.

Current Status:

The Council has started keeping a log with the number of tickets issued, to whom they were issued, date issued, date returned and amount of money received. All tickets and money is being accounted for and records are being kept on file.

98-2 Documentation and Record Retention

Condition:

The Council does not have copies of organizational documents for Union Senior Homes, Inc.

Recommendation:

It was recommended that the Council obtain all legal documents pertaining to Union Senior Homes, Inc., its financial condition and any contingent liabilities.

Current Status:

The files are currently being maintained at the Council's attorney's office.

Section II- Internal Control and Compliance Material to Federal Awards

This section is not applicable for this entity.

Section III- Management Letter

No management letter was issued.

UNION COUNCIL ON THE AGING, INC.  
MANAGEMENT'S CORRECTIVE ACTION PLAN  
FOR THE YEAR ENDED JUNE 30, 1999

Section I- Internal Control and Compliance Material to the Financial Statements

99-1 Cash Disbursements for Senior Trips

Recommendation: One board member should sign all disbursements out of this account in addition to the Executive Director's signature.

Action Taken: The Council has required that all disbursements out of this account have two signatures.

Section II- Internal Control and Compliance Material to Federal Awards

This section is not applicable for this entity.

Section III- Management Letter

No separate management letter was issued.